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July 10, 1990

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Sauget (Area I) - Sauget
SF/Comp*

Re: Sauget Area I

Dear Mr. Morgan:

This will report to you regarding the status of the efforts of certain parties named by IEPA as potentially responsible for one or more of the sites which comprise Area I.

Since the May 31, 1990 PRP meeting with IEPA, a number of the PRP's have participated in several discussions in person and by telephone conference call concerning your request for a PRP financed and performed RI/FS for Area I. A number of issues have been identified, several of which IEPA may be able to address. First, the PRP's do not believe that all parties with potential responsibility have been identified by IEPA. As you know, Monsanto and Cerro shared with IEPA their information on this subject on June 6, 1990. We remain hopeful that additional PRP's will be identified and notified.

Second, most of the identified PRP's are current or recent past owners of properties within the sites comprising Area I who acquired their interests after

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disposal activities had ceased, sometimes without knowledge of the antecedent landfilling activities. Not surprisingly, many of these parties regard themselves as innocent landowners or de minimis potentially liable parties and are not willing to contribute substantially to the effort. Our most significant identified need is access to persons or records regarding the identity of transporters and waste generators who used the sites for disposal. The PRP's are contemplating several initiatives to develop this information. Certainly IEPA's assistance in these efforts will be of critical importance.

Despite the obstacles facing the PRP's, we do believe the group is making progress toward a commitment to the RI/FS process. Cerro has affirmed to the PRP's that it is willing to provide administrative leadership for a number of the sites if a sufficient number of PRP's participate in the effort and a satisfactory apportionment of the costs can be attained. Monsanto has expressed interest in a similar commitment for the other Area I sites. Preliminary cost estimates are being prepared and alternative funding arrangements are being considered.

We believe that the PRP's have shown sufficient interest to begin to develop a detailed scope of work for the RI/FS on a site-by-site basis. We suggest that our technical representatives meet with yours to develop the scope of work and work plan.

Of course, this letter is not and should not be construed as a binding commitment on any parties' part at this time. Moreover, this communication is part of settlement discussion and is without admission of any liability and without prejudice to any party.

Very truly yours,



Michael L. Rodburg

MLR/ca

cc: Mr. Paul Takacs
Stephen P. Kichma, Esq.
Mr. Paul Tandler